

**UTAH STATE TAX COMMISSION
NOTICE OF PROPOSED NEW RULE OR RULE CHANGE**

The proposed rules were submitted to the State of Utah Division of Administrative Rules on July 20, 2010.

Proposed Rules or Change:

Rule Number: R865-19S-4

Title: R865-19S-4. Collection of Tax Pursuant to Utah Code Ann. Section 59-12-107.

Summary: Amendment provides that in a purchase consisting of taxable and nontaxable items, the entire purchase is subject to sales tax unless the nontaxable items are separately stated on the invoice or the seller is able to identify by reasonable and identifiable standards the nontaxable items from the books and records the seller keeps in the seller's regular course of business. This same concept applies to a transaction with items subject to sales tax at different tax rates. The amendment also makes technical changes.

Rule Number: R865-19S-33

Title: R865-19S-33. Admissions and User Fees Pursuant to Utah Code Ann. Sections 59-12-102 and 59-12-103.

Summary: Amendment repeals language indicating that in a purchase consisting of taxable and nontaxable items, the nontaxable items must be separately stated on the invoice or the entire purchase is subject to sales tax. The standard for recording these transactions will be in the amended rule R865-19S-4. This amended rule will allow the seller to separately state the nontaxable items on the invoice or be able to reasonable identify them from the books and records it keeps in its regular course of business. The amendment also makes technical changes.

Rule Number: R865-19S-64

Title: R865-19S-64. Morticians, Undertakers and Funeral Directors Pursuant to Utah Code Ann. Section 59-12-103.

Summary: Amendment repeals language indicating that in a purchase consisting of taxable and nontaxable items, the nontaxable items must be separately stated on the invoice or half of the purchase is subject to sales tax. These sellers are subject to a Federal Trade Commission regulation that requires the seller separately list each item sold. The standard for recording these transactions will be in the amended rule R865-19S-4. This amended rule will allow the seller to separately state the nontaxable items on the invoice or be able to reasonable identify them from the books and records it keeps in its regular course of business. The amendment also makes technical changes.

Rule Number: R865-19S-78

Title: R865-19S-78. Charges for Labor and Repair Under an Extended Warranty Agreement Pursuant to Utah Code Ann. Sections 59-12-102, 59-12-103, and 59-12-104.

Summary: Amendment repeals language indicating that in a purchase consisting of taxable and nontaxable items, the nontaxable items must be separately stated on the invoice or the entire purchase is subject to sales tax. The standard for recording these transactions will be in the amended rule R865-19S-4. This amended rule will allow the seller to separately state the nontaxable items on the invoice or be able to reasonable identify them from the books and records it keeps in its regular course of business. In addition, the proposed amendment clarifies the definitions of “installation charges” and “repair or renovation of tangible personal property.” The amendment also makes technical changes.

Rule Number: **R865-19S-80**

Title: **R865-19S-80. Printers' Purchases and Sales Pursuant to Utah Code Ann. Section 59-12-103.**

Summary: Amendment repeals language indicating that in a purchase consisting of taxable and nontaxable items, the nontaxable items must be separately stated on the invoice or the entire purchase is subject to sales tax. The standard for recording these transactions will be in the amended rule R865-19S-4. This amended rule will allow the seller to separately state the nontaxable items on the invoice or be able to reasonable identify them from the books and records it keeps in its regular course of business.

Rule Number: **R865-19S-85**

Title: **R865-19S-85. Sales and Use Tax Exemptions for Certain Purchases by a Manufacturing Facility Pursuant to Utah Code Ann. Section 59-12-104.**

Summary: Amendment repeals language indicating that in a purchase consisting of taxable and nontaxable items, the nontaxable items must be separately stated on the invoice or the entire purchase is subject to sales tax. The standard for recording these transactions will be in the amended rule R865-19S-4. This amended rule will allow the seller to separately state the nontaxable items on the invoice or be able to reasonable identify them from the books and records it keeps in its regular course of business. The amendment also makes technical changes.

Rule Number: **R865-19S-109**

Title: **R865-19S-109. Sales Tax Nature of Veterinarians' Purchases and Sales Pursuant to Utah Code Ann. Sections 59-12-103 and 59-12-104.**

Summary: Amendment repeals language indicating that in a purchase consisting of taxable and nontaxable items, the nontaxable items must be separately stated on the invoice or the entire purchase is subject to sales tax. The standard for recording these transactions will be in the amended rule R865-19S-4. This amended rule will allow the seller to separately state the nontaxable items on the invoice or be able to reasonable identify them from the books and records it keeps in its regular course of business. The amendment also makes technical changes.

Rule Number: **R865-19S-111**

Title: **R865-19S-111. Graphic Design Services Pursuant to Utah Code Ann. Section 59-12-103.**

Summary: Amendment repeals language indicating that in a purchase consisting of taxable and

nontaxable items, the nontaxable items must be separately stated on the invoice or the entire purchase is subject to sales tax. The standard for recording these transactions will be in the amended rule R865-19S-4. This amended rule will allow the seller to separately state the nontaxable items on the invoice or be able to reasonable identify them from the books and records it keeps in its regular course of business. The amendment also makes technical changes.

Rule Number: R865-19S-121

Title: R865-19S-121. Sales and Use Tax Exemptions for Certain Purchases by a Mining Facility Pursuant to Utah Code Ann. Section 59-12-104.

Summary: Amendment repeals language indicating that in a purchase consisting of taxable and nontaxable items, the nontaxable items must be separately stated on the invoice or the entire purchase is subject to sales tax. The standard for recording these transactions will be in the amended rule R865-19S-4. This amended rule will allow the seller to separately state the nontaxable items on the invoice or be able to reasonable identify them from the books and records it keeps in its regular course of business. The amendment also makes technical changes.

Rule Number: R865-19S-122

Title: R865-19S-122. Sales and Use Tax Exemptions for Certain Purchases by a Web Search Portal Establishment Pursuant to Utah Code Ann. Section 59-12-104.

Summary: Proposed rule defines the terms “establishment,” “machinery and equipment,” and “new or expanding establishment;” provides guidance for when the exemption for web search portal purchases applies that is consistent with the criteria for the sales tax exemption for a manufacturing facility.

The Public comment on this rule will end on 09/14/2010. This proposed rule was published in the Utah State Bulletin and posted on our website at www.tax.utah.gov.

Public comments on this rule can be addressed to the attention of Commissioner Michael Cragun and emailed to taxrules@utah.gov, faxed to 801-297-3919, or mailed to The Office of the Commission, Utah State Tax Commission, 210 N. 1950 W. Salt Lake City, Utah 84134. For questions, please call Danielle Murphy at 297-3901. Full text of rules can be found at www.tax.utah.gov. If you would like to receive notice of future rule items, email dmurphy@utah.gov with your name, email address and request to be added to the Tax Commission rules list server.

Those who need special accommodations in accordance with the American Disabilities Act may call (801) 297-3811. Please give up to three working days notice to arrange accommodations. Hearing impaired callers may call the Telecommunication Device for the Deaf (TDD) at (801) 297-3819 .

A copy of this notice was posted in the front foyer of the Tax Commission Building, Salt Lake City, Utah and on the Tax Commission Website at www.tax.utah.gov. The Commission public information officer also provided copies of this notice for the news media via electronic transmission.

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